

## ANNUAL REPORT (1999)

1. In accordance with the procedures for an annual overview of WTO activities and for reporting under the WTO, adopted by the General Council on 15 November 1995 (WT/GC/M/8, item 11), a report on the activities of the WTO Committee on Budget, Finance and Administration in 1999 is hereby submitted.

2. It will be recalled that the Committee met on a number of occasions and has presented reports to the General Council on a regular basis.<sup>1</sup> This report will then cover the major areas the Committee has dealt with in the course of the year to date.

### I. ON-GOING RESPONSIBILITIES

3. The Committee monitored on a regular basis the financial and budgetary situation of the Organization, the receipt of contributions including the implementation of the related schemes and measures pertaining to receipt of contributions. It examined the Final Position of the 1998 Budget and the Director-General's Financial Report on the 1998 Accounts and Report of the External Auditor as well as the Director-General's budget proposals for 2000.<sup>2</sup> In addition, it considered the personnel management situation and the developments on the establishment of the WTO Secretariat.

### II. MAJOR AREAS OF ACTIVITIES

#### A. NEW WTO MEMBER

4. In the course of 1999, the Committee formulated recommendations to the General Council on assessment to the budget and advance to the Working Capital Fund upon the accession to the WTO of Latvia on 10 February 1999.

#### B. MINIMUM CONTRIBUTION TO THE WTO BUDGET

5. The Committee continued the debate on the level of the minimum contribution to the WTO budget in the course of 1999. The Chairperson had presented a proposal that the level of the minimum contribution be reduced from 0.03 per cent to 0.015 per cent from the year 2000. After extensive discussions and consultations, the Committee noted that a consensus to pass from 0.03 per cent to 0.015 per cent as the minimum contribution, with exception of the reservation expressed by one Member, was

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<sup>1</sup>Reports: WT/BFA/39 covering the meetings of 19 March and 22 April 1999; and WT/BFA/40 covering the meeting of 16 June 1999.

<sup>2</sup>At the time of writing the present report, discussions on the 2000 budget proposals, as well as on the other items contained in WTO/AIR/1175, were continuing.

reached and that the Secretariat should use the minimum contribution of 0.015 per cent for preparation of the 2000 budget estimates and proposed Members' assessments.

C. UN/WTO CO-OPERATION WITH REGARD TO THE INTERNATIONAL TRADE CENTRE'S (ITC) BUDGETARY ARRANGEMENTS

6. The Committee recalled that, following the decision of the General Council on 3 April 1995 (WT/GC/M/3) the International Trade Centre UNCTAD/WTO presented its budget in compliance with the requirements of both the UN and the WTO i.e. both in US dollars and in Swiss francs. However, the presentations of budget for two different systems created considerable technical difficulties and resulted in inefficient use of existing resources. The Chairman of the Committee together with the Secretariat of the WTO and the ITC had met with the Chairman of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) in 1998 in order to identify a solution. In December 1998, the United Nations General Assembly endorsed the revised administrative arrangements (document A/53/7/Add.3). The new administrative arrangements establishes that a budget outline should be submitted by the ITC to the WTO and the United Nations in spring of the year preceding the budget biennium of the United Nations. Furthermore, the annualized requirements are to be presented in Swiss francs in conformity with the WTO budget process.

D. DOCUMENTATION

7. The Committee examined the policy with regard to the provision of WTO documents to WTO Member Missions, Observers, Libraries, Journalists, as well as individuals during the course of 1999. The Secretariat would undertake an exercise to (i) provide information on the availability of electronic sources of documents and (ii) verify addresses with a view to lowering document reproduction and mailing costs.

E. PUBLICATIONS

8. In the course of 1999, the Committee examined the policy with regard to the provision of WTO publications (printed or electronic), free of charge, for sale. It is recalled that the policy consists of providing to each WTO Member delegation two free copies of print publications destined to be sold. Thereafter, delegations receive a 30 per cent discount on all publications purchased. With regard to electronic publications, the policy has been to provide two free copies only to LDCs delegations. The Committee was of the opinion that, upon request, developing countries could receive one copy of publications in electronic form, free of charge. The matter would be reviewed in a year's time to evaluate new procedure.

F. JOINT INFORMAL MEETING

9. A joint informal meeting of the Committee on Budget, Finance and Administration with the Committee on Trade and Development was held on 14 September 1999 on Technical Assistance Activities (TAA). Information regarding the financial aspect of TAA in 1999 as well as the evolution of TAA since 1995 was presented. The Committees were informed on the activities by geographical areas, modes of delivery, and planning and programming functions. It was noted that the basic concerns of the Secretariat relate to putting TAA on a financially sound and sustainable basis and to enhance the capacity of the Secretariat to respond to ever-expanding requirements.

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